CONTRACT #5 RFS # 318.66-050

Department of Finance & Administration/Bureau of TennCare

VENDOR:
Tennessee Behavioral Health,
Inc.
(East Grand Region)



STATE OF TENNESSEE BUREAU OF TENNCARE 310 Great Circle Road NASHVILLE, TENNESSEE 37243

August 4, 2005

Mr. Jim White, Director Fiscal Review Committee 8th Floor, Rachel Jackson Bldg. Nashville, TN 37243

Attention: Leni Chick

RE: Bureau of TennCare Contracts Submitted for Fiscal Review

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee the following Behavioral Health Organization amendments. These amendments will establish payment rates for the remainder of Fiscal Year '06. These rates are based on data received from the actuarial with whom TennCare has contracted to establish BHO and MCO capitation rates. All three of these behavioral health amendments reflect reduction of the maximum liability for the fiscal year.

Tennessee Behavioral Health, Inc.
Middle & West Tennessee
Tennessee Behavioral Health, Inc.
East Tennessee Grand Region
Premier Behavioral Health System
Of Tennessee, LLC
FA-01-14551-12
FA-05-16089-03
FA-01-14662-13

We would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,

J. D. Hickey Deputy Commissioner

Cc: Keith Gaither Alma Chilton

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED		
Commissioner of	Finance & Administrat	tion
Date:		

A REQUEST	equest items below indicates specific information that <u>must</u> be individually detailed or addressed <u>as required.</u> CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT	
CLEARLY AI	DDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED. 318.66-050	nosi?
STATE AGENCY	NAME : Department of Finance and Administration Bureau of TennCare	
SERVICE CAPTI	ON: Behavioral Health Organizations Providing Medically Necessary Behavioral Services to the TennCare/Medicaid Population in Tennessee East Grand Region	
CONTRACT#	FA-05-16089-00 PROPOSED AMENDMENT # 3	
CONTRACTOR:	Tennessee Behavioral Health, Inc.	
CONTRACT STA	ART DATE: 07/01/2004	
CURRENT, LATI	EST POSSIBLE END DATE 06/30/2006 tions to extend)	
CURRENT MAX	MUM LIABILITY: \$335,751,112.00	
LATEST POSSII (including ALL op	BLE END DATE WITH PROPOSED AMENDMENT : 06/30/2006 otions to extend)	
TOTAL MAXIMU	M COST WITH PROPOSED AMENDMENT: \$326,044,256.00	· · · ·
APPROVAL CRI (select one)	TERIA: use of Non-Competitive Negotiation is in the best interest of the state	
	only one uniquely qualified service provider able to provide the service	
ADDITIONAL RI	EQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)	
	of the proposed additional service and amendment effects :	
This amendmen	establishes payments rates provided by actuarial contractor that will continue through FY '06.	
(2) explanation	of need for the proposed amendment:	

This amendment is needed in order to establish pathealth services for TennCare enrollees.	yment mechanisms for rem	aining period of FY '06 in order to cor	ntinue behavioral
(3) name and address of the proposed contractor (not required if proposed contractor is a state e			
Dr. Russ Petrella, Chief Operating Officer Magellan Behavioral Health 199 Pomeroy Road, 3rd Floor Parsippany, New Jersey 07054			
(4) documentation of OIR endorsement of the N (required only if the subject service involves inf	on-Competitive procuren ormation technology)	nenf request :	
select one: Documentation Not A	pplicable to this Request	Documentation Attached to t	his Request
(5) documentation of Department of Personnel (required only if the subject service involves tra	endorsement of the Non- ining for state employees)	Competitive procurement request :	
select one: Documentation Not A	pplicable to this Request	Documentation Attached to t	this Request
(6) description of procuring agency efforts to id non-competitive negotiation :	entify reasonable, compe	etitive, procurement alternatives rai	ther than to use
This contract for Behavioral Health Services for the ensure that services to recipients will continue without throughout FY '06. This amendment results in a re	out interruption and that pay	yment rates are established for period	isiting contract will to continue
(7) justification of why the F&A Commissioner s	should approve a Non-Co	mpetitive Amendment :	
The approval of this amendment by F&A will ensure providers that Premier Behavioral Health Systems prevent any disruption of services to enrollees.	e the best interests of Ten currently has, TennCare is	nCare enrollees will be served. Base confident that the modifications of the	d on the network of nis agreement will
AGENCY HEAD REQUEST SIGNATURE: (must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)			
	SIGNATURE DATE:		

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AMENDMENT NUMBER 3 to Contract Number FA-05-16089-00

PROVIDER RISK CONTRACT

BETWEEN

THE STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

AND

TENNESSEE BEHAVIORAL HEALTH, INC. IN THE EAST TENNESSEE GRAND REGION

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Provider Risk Agreement by and between the State of Tennessee Department of Mental Health and Developmental Disabilities, hereinafter referred to as **TDMHDD**, and Tennessee Behavioral Health, Inc. hereinafter referred to as the **Contractor**, as follows:

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language. The changes in this amendment shall become effective, unless stated otherwise in this document, on August 1, 2005.

1. Section 4.7.1 shall be amended by adding the following language:

For the period July 1, 2005, through June 30, 2006, the maximum liability of the State for the TennCare Partners Program in the East Tennessee grand region shall be One Hundred Fifty-Eight Million, One Hundred Sixty-Eight Thousand Seven Hundred Dollars (\$158,168,700.00).

2. Section 4.7.2 shall be amended by adding a new paragraph and chart. This new language will be inserted at the end of the current third paragraph and shall read as follows:

The Rates in Table 2 shall be applicable from August 1, 2005 through June 30, 2006.

Table 2: Rates

·	
PAYMENT RATE CATEGORY	PER MEMBER/ PER MONTH RATE
Priority Population age 0-12	\$285.56
Priority Population age 13-17	\$390.27
Priority Population age 18 and above	\$221.30
Non-Priority Population age 0-12	\$2.91
Non-Priority Population age 13-17	\$19.62
Non-Priority Population age 18 and above	\$5.67

These rates include the nine- percent (9%) administrative fees and the two- percent (2%) premium taxes.

All of the provisions of the original CONTRACT not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective, or as of the date it is approved by the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services.

IN WITNESS WHEREOF, the parties have by there duly authorized representatives set their signature.

Russell C. Petrella, Ph.D.	DATE
Vice President	•
Tennessee Behavioral Health, Inc.	
TENNESSEE DEPARTMENT OF MENTAL	
HEALTH AND DEVELOPMENTAL DISABILITIES	
Virginia Trotter Betts, MSN, JD, RN, FAAN	DATE
Commissioner	
TENNESSEE DEPARTMENT OF	
FINANCE AND ADMINISTRATION	
BUREAU OF TENNCARE:	
M.D. Goetz, Jr.	DATE
Commissioner	
APPROVED:	
AFFROVED.	
TENNESSEE DEPARTMENT OF	
FINANCE AND ADMINISTRATION:	
M.D. Goetz, Jr.	DATE
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